

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	TRANSMITTAL NUMBER	STATE
	93-35	Missour
	PROGRAM IDENTIFICATION Title XIX	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	PROPOSED EFFECTIVE DATE September 18, 1993	

TYPE OF PLAN MATERIAL (Check One)

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE NEXT 4 BLOCKS IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)

FEDERAL REGULATION CITATION

42 CFR 447

NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A
Pages 22 and 24 and Appendix A page 3

NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT

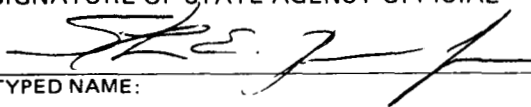
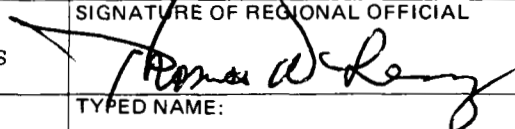
Attachment 4.19A
Page 22 and 24 and Appendix A page 3

SUBJECT OF AMENDMENT

Inpatient Hospital Services Reimbursement Plan change implemented to be effective during the July - Sept. 1993 quarter. Plan changes to the Federal Reimbursement Allowance (FRA) payment methodology.

GOVERNOR'S REVIEW (Check One)

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT *2P* ☐ OTHER, AS SPECIFIED:
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

SIGNATURE OF STATE AGENCY OFFICIAL 	FOR REGIONAL OFFICE USE ONLY	
	DATE <i>09/30/93</i>	DATE APPROVED <i>JUN 06 2001</i>
TYPED NAME: Gary J. Stangler	PLAN APPROVED - ONE COPY ATTACHED	
TITLE: Director, Department of Social Services	EFFECTIVE DATE OF APPROVED MATERIAL <i>9/18/93</i>	
DATE: September 29, 1993	SIGNATURE OF REGIONAL OFFICIAL 	
RETURN TO: Division of Medical Services P.O. Box 6500 Jefferson City, MO 65102-6500	TYPED NAME: Thomas W. Lenz	
	TITLE: Associate Regional Administrator for Medicaid & State Operations	
	REMARKS: <div style="border: 1px solid black; padding: 5px; width: fit-content;"><p>SPA CONTROL</p><p>Date Submitted <i>9/29/93</i></p><p>Date Received <i>9/30/93</i></p></div> <p>cc: Martin/Vadner/Waite/CO</p>	

6. Proprietary, disproportionate share hospital - A for-profit hospital which qualifies as disproportionate share in accordance with section VI.

B. The Medicaid/Medicare Contractual Payment for each qualifying hospital shall be the lower of --

1. Medicaid Contractual Adjustment added to the Medicare Contractual Adjustment; or

2. (Medicare/Medicaid Payment Cap multiplied by total inpatient hospital days from the 1990 cost report) plus (UCACI Adjustment as defined in Section XVI for State Fiscal Year 1993 multiplied by a UCACI adjustment factor.

C. UCACI adjustment factor. The UCACI adjustment factor shall be fifteen percent (15%), unless specifically provided for within this subsection.

1. The UCACI adjustment factor shall be sixteen percent (16%) for proprietary, disproportionate share hospitals.

2. The UCACI adjustment factor shall be twenty-three percent (23%) for children's disproportionate share hospitals.

D. If a hospital does not have a "Base Cost Report" the information to calculate the Medicaid/Medicare Contractual Payment shall be estimated using the following criteria:

1. Hospitals entitled to a Medicaid/Medicare Contractual Payment shall be ranked from least to greatest number of inpatient hospital beds divided into quartiles;
2. Each factor in the Medicaid/Medicare Contractual Payment calculation shall then be individually summed and divided by the total beds in the quartile to yield an average per bed; and
3. Finally the total number of inpatient hospitals beds for the hospital without the "Base Cost Report" shall be multiplied by the average per bed to determine each factor.

E. Payments will be allocated and paid over the 17 Medicaid payrolls from October 15, 1992 through June 30, 1993. Payment will be made at the same level for the 6 Medicaid payrolls from July 1, 1993 through September 30, 1993.

F. Adjustments provided under this section shall be considered reasonable costs for purpose of the determinations described in paragraph V.D.2.

C. Trend Indices. Trend indices are determined based on the four quarter average DRI Index for PPS - Type Hospital Market Basket as published in "Health Care Costs" by DRI/McGraw-Hill.

1. The Trend Indices are:

- A. State fiscal year 1990 - 5.30%
- B. State fiscal year 1991 - 5.825%
- C. State fiscal year 1992 - 5.33%
- D. State fiscal year 1993 - 4.68%

2. The trend indices for the third (SFY-91) through first (SFY-93) prior fiscal year are applied as a full percentage to the operating component (OC) of the per diem rate. The trend indices for the current state fiscal year (SFY-94) is applied one-half to the individual hospital operating component and one-half time the statewide average weighted per diem rate as of June 30, 1992.

- D. Effective September 18, 1993, the General Plan (GP) or Disproportionate Share rate in effect September 17, 1993, shall be adjusted by the state fiscal year 1994 trend index of 4.6%, which shall be applied one-half to the individual hospital operating component and one-half based on the statewide average per diem rate as of June 30, 1993.

State Plan MS # 93-35 Effective Date 9/18/93
Supersedes MS # 92-32 Approval Date JUN 06 200

C. Each hospital shall submit to the Department of Social Services a statement that accurately reflects:

1. If the hospital is publicly or privately owned;
2. If the hospital is operated primarily for the care and treatment of mental disorders;
3. If the hospital is operated by the Department of Health; and
4. If the hospital accepts payment for services rendered.

D. The Department of Social Services shall prepare a confirmation schedule of the information from each hospital's third prior year cost report and provide each hospital with this schedule.

1. This schedule shall include:

- A. Provider name;
- B. Provider number;
- C. Fiscal period;
- D. Total number of licensed beds;
- E. Total inpatient days;
- F. Total cost of contractual allowance for Medicare;
- G. Total cost of contractual allowance for Medicaid.

2. Each hospital required to pay the federal reimbursement allowance shall review this information and provide the Department of Social Services with correct information, if the information supplied by the Department of Social Services is incorrect, or affirm the information is correct within fifteen (15) days of receiving the confirmation schedule.

3. Each hospital may request that their federal reimbursement allowance be offset against any Missouri Medicaid payment due. Assessments shall be allocated and deducted over 17 Medicaid payrolls from October 15, 1992 through June 30, 1993. Assessments will be made at the same level for the 6 Medicaid payrolls from July 1, 1993 through September 30, 1993.

**INSTITUTIONAL STATE PLAN AMENDMENT
ASSURANCE AND FINDING CERTIFICATION STATEMENT**

STATE: Missouri

TN - 93-35

REIMBURSEMENT TYPE: Inpatient hospital X

PROPOSED EFFECTIVE DATE: September 18, 1993

A. State Assurances and Findings. The State assures that it has made the following findings:

1. 447.253 (b) (1) (i) - The State pays for inpatient hospital services through the use of rates that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations, and quality and safety standards. _____
2. With respect to inpatient hospital services - -
 - a. 447.253 (b) (1) (ii) (A) - The methods and standards used to determine payment rates take into account the situation of hospitals which serve a disproportionate number of low income patients with special needs. _____
 - b. 447.253 (b) (1) (ii) (B) - If a state elects in its State plan to cover inappropriate level of care services (that is, services furnished to hospital inpatients who require a lower covered level of care such as skilled nursing services or intermediate care services) under conditions similar to those described in section 1861 (v) (1) (G) of the Act, the methods and standards used to determine payment rates must specify that the payments for this type of care must be made at rates lower than those for inpatient hospital level of care services, reflecting the level of care actually received, in a manner consistent with section 1861 (v) (1) (G) of the Act. _____

If the answer is "not applicable," please indicate:

-
- c. 447.253 (b) (1) (ii) (C) - The payment rates are adequate to assure that recipients have reasonable access, taking into account geographic location and reasonable travel time, to inpatient hospital services of adequate quality. _____
4. 447.253 (b) (2) - The proposed payment rate will not exceed the upper payment limits as specified in 42 CFR 447.272:
- a. 447.272 (a) - Aggregate payments made to each group of health care facilities (hospitals, nursing facilities, and ICFs/MR) will not exceed the amount that can reasonably be estimated would have been paid for those services under Medicare payment principles. _____
- b. 447.272 (b) - Aggregate payments to each group of State-operated facilities (that is, hospitals, nursing facilities, and ICFs/MR) - - when considered separately - - will not exceed the amount that can reasonably be estimated would have been paid for under Medicare payment principles. _____
- If there are no State-operated facilities, please indicate "not applicable." _____
- c. 447.272 (c) - Aggregate disproportionate share hospital (DSH) payments do not exceed the DSH payment limits at 42CFR 447.296 through 447.299.
- d. Section 1923 (g) _ DSH payments to individual providers will not exceed the hospital-specific DSH limits in section 1923(g) of the Act. _____

B. State Assurances. The State makes the following additional assurances:

1. For hospitals - -
- a. 447.253 (c) - In determining payment when there has been a sale or transfer of the assets of a hospital, the State's methods and standards provide that payment rates can reasonably be expected not to increase in the aggregate solely as a result of changes of ownership, more than payments would increase under Medicare under 42 CFR 413.130, 413.134, 413.153 and 413.157 insofar as these sections affect payment for depreciation, interest on capital -indebtedness, return on equity)if applicable), acquisition costs for which payments were previously made to prior owners, and the recapture of depreciation.

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3. 447.253 (e) - The State provides for an appeals or exception procedure that allows individual providers an opportunity to submit additional evidence and receive prompt administrative review, with respect to such issues as the State determines appropriate, of payment rates. _____
 4. 447.253 (f) - The State requires the filing of uniform cost reports by each participating provider. _____
 5. 447.253 (g) - The State provides for periodic audits of the financial and statistical records of participating providers. _____
 6. 447.253 (h) - The State has complied with the public notice requirements of 42 CFR 447.205. _____

Notice published on: Sept. 17, 1993
If no date is shown, please explain:

-
-
-
7. 447.253 (i) - The State pays for inpatient hospital services using rates determined in accordance with the methods and standards specified in the approved State plan. _____

C. Related Information

1. 447.255 (a) - NOTE: If this plan amendment affects more than one type of provider (e.g., hospital, NF, and ICF/MR; or DSH payments) provide the following rate information for each provider type, or the DSH payments. You may attach supplemental pages as necessary.

Provider Type: Hospital

For hospitals: The Missouri Hospital Plan includes DSH payments in the estimated average rates. However, the DSH payments included in the estimated average rates do not represent the total DSH payments made to hospitals under the Missouri Medicaid Plan.

RH-DSH included

Estimated average proposed payment rate as a result of this amendment:
\$ 642.87

Average payment rate in effect for the immediately preceding rate period:
\$564.87

Amount of change: \$78.39 Percent of change: 13.9%

Estimated DSH payments not in average payment rate as a result of this amendment: \$

Estimated DSH payments not in average payment rate immediately preceding amendment: \$

Amount of change: \$0.00 Percent of change: 0.00%

2. 447.255 (b) - Provide an estimate of the short-term and, to the extent feasible, long-term effect the change in the estimated average rate will have on:
- (a) The availability of services on a statewide and geographic area basis:
This amendment will not effect the availability of short-term or long-term services.
 - (b) The type of care furnished: This amendment will not effect hospital services furnished to Medicaid eligibles.
 - (c) The extent of provider participation: This amendment will assure recipients have reasonable access taking into account geographic location and reasonable travel time to inpatient hospital services.
 - (d) For hospitals - - the degree to which costs are covered in hospitals that serve a disproportionate number of low income patients with special needs:
It is estimated that disproportionate share hospitals will receive 100% of its Medicaid cost for low income patients with special needs.